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Address by Wayne Coy, Chairman
Federal Communications Commission

Theater Owners of America
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This invitation to address the convention of the Theater Owners of America on the future of television and on its impact on the theater business is a very considerable honor. It is a handsome personal tribute.

It implies that I am gifted with powers of divination not granted to ordinary humans. It implies that I am endowed with extra-sensory perception, clairvoyance, telepathy and the psychic prowess of a Hindu yogi.

You are asking me to supply you with clear-cut, definitive answers about a new industry bristling with question marks. Even men who are sinking millions of dollars of their own money into television are leaning heavily on intuition.

It is a business in which there are no blueprints and in which everyone sees through a glass but darkly. It is a business that deals with sight but is played by ear.

Considering all the uncertainties, the hub-bub, and the mysteries of this new electronic art, and considering also the possibilities of its effect on your livelihood, it is not hard to understand why you have gone to the extreme lengths of inviting someone from Washington -- a government bureaucrat no less -- to come and speak to you.

You are truly snatching at straws. Turning to Washington is the act of desperate men.

I understand that the question before the house is:

Have the moving picture exhibitors of America seen the best years of their lives?

I have always had the deepest sympathy for those who are worried about having the bread taken out of their mouths. The theatermen of America who once worried about the competition from a new house opening across the street or around the corner are now wondering what is to happen to them when every home in the city boasts a television set and becomes a little theater. Can the nation's 18,000 commercial movie houses hold their own with 39,000,000 home theaters?

Today there are only 37 stations on the air. There is every indication that in two years from now there may be as many as 400 stations on the air. They will cover the 140 metropolitan areas and some other areas also.

They will be available to a potential audience of 70,000,000 people -- roughly half the population of the United States. They will reach the most populous centers -- areas where the people have the most money to attract the advertiser's dollar.

It is true that as of today there are only 600,000 receiving sets. But they are being produced at the rate of 16,000 per week. There is a steady increase in that rate of production. Sometime next year it should be doubled. And then it will be tripled.

At that rate you can see that it will not be too long before the manufacturers can provide television receiving sets for most of the homes in the range of the television broadcasting stations.

You are pondering how you can compete with a diabolical, fiendish screen in the living room that miraculously produces vaudeville, motion pictures, news reels, musical comedy, drama, opera, grand opera, soap opera, circuses, prize fights, football games, world series games, air races -- news and history in the making.

You are wondering who will stand in the queue, buffeted by the wind, the rain and the snow to see your show when he can see all that without stirring from his easy chair.

Does television mean curtains for the theater?

Admittedly, the victim of technological unemployment is a melancholy figure.

It would take a heart of stone not to feel a surge of pity for the theater owner who wonders if he is to be the next victim of our machine age. Is he to join those other displaced persons of bygone days -- the horsecar driver, the town crier, the lamplighter, the carriage-maker, the canal boatman, the hurdy-gurdy man?

Are breadlines, soup kitchens and backdoor handouts staring him in the face?

Come to think of it, I am beginning to suspect that perhaps you have not invited me here to advise with you because of my present position as Chairman of the FCC. You may be seeking my advice because of the experience I gained during the depression as regional administrator of the WPA.

In any event, I propose to tell you all I now know about the present status of this new competitor of yours. And in addition, I will make sure that confusion is worse confounded by offering my guesses as to the future.

I hope I have made it plain that I do not take the attitude: "I am Sir Oracle, and when I ope my lips let no dog bark."

I am more mindful of the solemn warning of Matthew -- "If the blind lead the blind, both shall fall into the ditch."

Let's see what alternatives face the theater owner today.

First, he could follow the example of the weavers of England when they were thrown out of work by the invention of the mechanical looms. They demonstrated their hostility to this coming of the machine age by smashing the offending machine. I am sure that the theatermen of today are made of just as stern stuff as the weavers of old England. I have no doubt that they could create quite a ruckus if they went around smashing television receiving sets and stations. I hope they are not forced to that extremity.

Suppose the theater owner reasons that he was the pioneer in both the visual and aural mass entertainment fields and that he might now try to become a broadcaster himself? If he had had that idea a year or so ago, it would have been a sound one. But today he will find that practically all the channels not assigned are involved in hearings before the FCC. The competition is intense.

A famous old showman and playwright who made quite a name for himself in the London theaters of the 16th century had something to say about this kind of situation:

"There is a tide in the affairs of men,
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries."

Theater interests have evinced little interest up to date in entering television. Most of the applicants are standard broadcasters.

So the theater owner who now at this late date seeks to continue eating three square meals a day via the television broadcasting route finds himself out in the cold.

Now this gobbling up of the television channels also has a bright side for the theater temporarily. I point this out to prove that I am not averse to giving you a bright side if I can possibly find one.

The bright side for you is that our present allocation seriously limits the number of possible television stations. That means fewer people sitting at home with their eyes glued to the video screen instead of visiting your theaters.

This cuts down your competition.

This is a break for you. But don't cheer.

The FCC is going to do something about that.

We are cast in the role of the villain in this morbid melodrama by the Communications Act of 1934.

In that Act, the Congress charges the Federal Communications Commission to encourage the "larger and more effective use of radio in the public interest."

So you see it is not that we love the theater business less, but that we are bound by law to love the broadcasting business more.

Pursuant to that responsibility, I must tell you frankly that we are going to create just as much television competition as possible.

Under our present system of allocation, with 12 channels, many people in many areas are being deprived of television service. The Commission has committed itself to a "truly nationwide and competitive system of television." We cannot have that under the presently available number of channels.

Back in 1945 the Commission announced that the channels for a truly nationwide and competitive system of television and for color television would have to be found upstairs in the spectrum. The 475 to 890 megacycle band was set aside for television experimentation.

In view of the inadequacy of the present allocation, the Commission has been holding a public hearing in Washington to determine what can be done. We want to know what progress has been made in developing equipment that will operate in the upper part of the spectrum and we want to know what standards ought to be set. The first session of this hearing has just been recessed.

Leading television experts have testified in this hearing. I am sure that you gentlemen have followed the proceedings with keen interest.

I assure you that we will keep the American public fully informed on the status of television as we see it.

Eventually there will be one or more television sets in every one of the 39,000,000 homes in America.

Is there any scientific law by which we can calculate the probability of the effect of television on the American theater?

Yes, there is such a law. And I know it is scientific because I discovered it myself. It is known as Coy's Law. Greatly simplified, that law is: "You can't be in two places at the same time."

Both the quality and the quantity of television programming leave much to be desired at the present time. As to the quantity, most stations are required to be on the air only two hours a day at this stage of the game. As to the quality, it is improving steadily as competition increases and as the broadcasting people gain experience. The extension of networking facilities is also providing better program material.

I foresee the day when television will be the most powerful instrument of communication ever devised, the most universal and most effective purveyor of education, information, culture and entertainment.

These electronic home theaters will not change their billings once a week or twice a week. They will change shows daily.

They will boldly invade what has hitherto been the theater's exclusive field. They will exhibit motion pictures on a scale far surpassing the present rate of theater showings.

The theater is not the only institution brooding over the growth of this electronic juggernaut.

Sound broadcasting is wondering how long it can retain its customers when television is available to regale two senses for the price of one.

The world of sports is doing some tall thinking about the prospect of having television turn a whole nation into one vast knothole gang.

Newspaper publishers are mulling changes in format to interest readers who have both seen and heard far more of the biggest news events of the day than a big stable of trained seals can write for them or a large staff of still photographers can show them. Recent televised news events like the political conventions left the newspapers wondering about that old-hat look.

What, if anything in this age of television does stand between the American motion picture exhibitor and oblivion?

Well, for one thing, he can look back upon past triumphs over other seemingly potent agents of destruction. The automobile took millions out into the highways and byways. But theater attendance kept growing. Sound radio was highly-touted as the theater's Lord High Executioner. But theater attendance went on to new highs.

On the other hand, institutions do get rubbed out.

Who should know better than the moviemen?

Which brash, young art was it that nosed out such venerable institutions as the legitimate theater and vaudeville in the competitive free-for-all?

What we are witnessing today is another spectacular eruption of free enterprise in the entertainment world -- competition between categories of entertainment as well as within. And I think the American people are going to benefit from that competition.

Everyone knows that television is going to get the very best and the most movies it can buy. Whether its advertiser-sponsors can ever afford the first-run feature films of today remains to be seen. Advertising over television is going to be extraordinarily effective. It should be able to pay accordingly. Sound radio is spending money at a rate we never dreamed of. One news commentator sells for $650,000 a year. One comedian gets $25,000 per show. Not to mention the fortunes paid to quiz contestants who can guess their own name.

I am confident that sound radio will try to meet competition from the video screen by improving its program service, by developing those particular services for which it is especially well adapted.

I am equally confident that in the coming battle between celluloid and electronics you theatermen are going to give your customers a bigger money's worth than they have ever gotten before -- pictures with better writing, better acting, better directing, better photography.

I am certain that you exhibitors are going to exploit to the hilt the many possibilities of introducing television onto your screens.

I would like to review briefly the early proposals for theater television. We go back to 1944.

During the FCC's Allocation Hearing of 1944 when radio channels were being requested for various services for the post-war period, the only theater group represented was the Society of Motion Picture Engineers. The witness for the Society testified that the major companies of the motion picture industry had indicated that at the end of the war, they would start experimenting with the production and exhibition of theater television programs in specific local theaters and with the transmission of such programs to theaters in distant cities.

It was recalled that large screen television -- screens 15 by 18 feet -- had been shown in London theaters in 1939. Large-screen television had also been demonstrated experimentally in two theaters in New York City in 1941.

It was claimed in the Allocation Hearing that 25 of the 42 competitive theatrical agencies in New York City could afford to enter the theater television field. Seventy-five channels, each 20 megacycles wide, were requested. The Commission was told, however, that high definition black and white pictures and color pictures would undoubtedly be required later and that such pictures would need channels 40 megacycles wide.

In view of the fact that theater television was still in the experimental state at that time, the Commission did not allocate any specific frequencies. It did leave the door open for later development. It announced that it would consider applications for experimentation.

Experiments have been conducted by the Paramount Theater in New York City using its regular screen. The Radio Corporation of America has demonstrated large-screen television in black and white and in all-electronic color on several occasions. Warners and Twentieth Century Fox are conducting experiments. These experiments are being conducted on frequencies allocated by the Commission to television broadcasters for remote pick-up and studio-to-transmitter transmissions. If these experiments should lead to real development and the interests involved request commercial operation, the Commission would of course attempt to look elsewhere in the spectrum for any allocation it might decide to make for such a service.

There the matter stands at the moment.

The Commission has not received any requests for channels for large-screen theater television on a regular commercial basis. Neither has the Commission been advised of any developments pointing to theater television in the immediate future.

I hasten to add that any proposals advanced by the theater industry for the use of television channels will be given careful consideration by the Commission.

If plans were prepared for intra-city and inter-city use of television channels along the elaborate lines proposed in the 1944 Allocation Hearing, would channels be available?

I doubt it.

The radio spectrum is not infinite. It is a rapidly contracting public domain. Broadcasting, radar, radio heating, automobile radio, telephones and many other types of radio communications are insistent claimants for these prized radio channels.

We should also remember that the 75 channels 20 megacycles wide requested for theater television in 1944 represent 21 times as much space in the spectrum as is now occupied by the 12 television broadcasting channels.

In deciding whether channels can be made available for theater television, the Commission must weigh the claims of all the radio services from the standpoint of the public interest, convenience and necessity.

Frankly, the theater industry would have to make quite an argument to claim anywhere near that channel space. I anticipate that when and if frequencies are requested in the future the requests will be much more realistic. I will discuss such possible claims in a moment.

Common carrier coaxial and radio relay facilities are rapidly becoming available for the inter-city transmission of television programs and there lies the exhibitor's opportunity.

By picking up these programs from common carrier facilities you would not require a license from the FCC.

In this connection, I suggest that you address yourself wholeheartedly to the question: "What does television have that we don't have?" Obviously television has some very compelling attractions or it wouldn't be enjoying its present mushroom growth. The central problem of the film exhibitor as I see it, is to study television carefully and decide what he can adopt and adapt for his own use.

For example, one New York station has nine staff cameramen with two planes available for fast coverage of local news events. In addition it has one free-lance cameraman in each state and each foreign nation. It broadcasts two newsreels a day.

Do you know of any movie house that has its own local news reel staff?

Aggressive, imaginative competition from the movie houses will of course serve to spur television to put its best foot forward.

Perhaps a study of what television has to offer will yield some clues as to the movie exhibitor's future strategy. American radio stations, as you know, are required to operate in the public interest, convenience and necessity. The Commission has construed this to mean that a station must present a reasonably well-rounded program service with due attention to information, education, culture, as well as entertainment; with time devoted to the airing of controversial questions and the satisfying of local community needs. The exhibitor may find that he can make his house a more vital institution in his community by making it a leader in community activities. At present the only opportunity for gifted local talent in movies is Hollywood. Perhaps the exhibitor can give that local talent an opportunity on his screen.

Radio stations have found that it pays dividends to appeal to the friends and acquaintances of local performers, orchestras, choral groups, and dramatic organizations.

At this stage of the game when there are comparatively few sets in the homes, you can doubtless render a real service to your customers by giving them the biggest news events of the day -- like the national conventions, the series games, the football classics.

That is a matter of negotiating between yourself and the television broadcasting network that brings the program to your city. That's not a question of electronics. That's a question of property rights.

You can have such programs fed to your theater by coaxial cable. Or you may want to pick them up with a receiving set and photograph them for reproduction on your screen a moment later. This matter of property rights is now being explored. But what the outcome of it will be I cannot predict.

Suppose your city has an outstanding local news or sport event. You might consider covering the event with your own news reel camera crew. Such coverage would fall into two categories. The first type would be coverage from a fixed point such as the press booth of a stadium. The pictures would be flashed back to your theater over coaxial cable. That would be something you could do without coming to the FCC for a permit.

The second type would be the pick-up of an event by a mobile unit such as you might employ to cover a street parade or a large fire. The pictures are transmitted from the mobile unit by radio.

At the present time, such relay frequencies are not available to theaters. They are available only to broadcasters.

If after a careful study of the needs and potentialities of such a service, the exhibitors decide that they wish to employ such frequencies, they would have to make formal application to the FCC. The FCC would give such requests careful and sympathetic study. The Commission would have to decide, on the basis of all the conflicting claims for channels, whether it would be in the public interest to allocate such relay channels to the theaters. The Commission would also consider the possibility of having such service rendered to the theaters by common carriers.

These possibilities merit the most careful study of your organization.

There are other possibilities.

If a local television station has developed smash-hit in the way of a news commentator or a comedy show, why not arrange to have the performance on your stage? You get a good attraction and the television station gets a ready-made audience. And the television viewer back home gets somebody to do his laughing for him.

Television should offer splendid opportunities for the promotion of your feature films. When television first comes into your community there will be enough sets around in the early days so that your feature film shown in the homes will create valuable word-of-mouth advertising.

Keep in mind that for sometime to come, you will have many people in your community who will prefer to pay to see a certain television program at your theater rather than invest from $150 to $500 for a set of their own.

The Federal Communications Commission views television as one of the greatest discoveries of all time with almost unlimited potentialities for the promotion of the welfare, the education and the entertainment of all our people. Its implications for broadening the base of our democracy and for making the processes of our democracy more efficient are of far-reaching significance.

Television is a social and economic force so powerful that this nation will not realize its full possibilities until we have the widest participation in its development.

We are today only on the threshhold of discovering these possibilities. There are years of exciting trail-blazing ahead.

The experience, the ingenuity, the imagination and the enterprise of the American motion picture exhibitor applied to television should provide a significant impetus to this infant industry. The employment of television may well result in making the motion picture theater a more creative force and a more important community leader than it has been heretofore.

The Federal Communications Commission welcomes any contribution that the exhibitors may decide to make toward the greater utilization of this great electronic discovery.

I see the next five years as decisive ones in shaping the destiny of television. They will also be decisive ones for the motion picture exhibitors. In that time I am sure that you will plan how you can best serve the American public in this new era of changing conditions. I know that an intensive industry-wide study of television development and the part you can play in it will result in a three-way benefit: to the motion picture exhibitors, to television, and to the American public.

In the past half a century, you exhibitors have brought immeasurable pleasure to the millions.

Your service has won for you a unique and warm place in the hearts of the American people.

I feel that I voice the sentiment of the masses of these people when I express to you my appreciation for the tremendous contribution you have made to our happiness in the past and give you every wish for success in your plans to continue that contribution in the future.

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